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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in Lok Sabha on 24th February, 2000:—

BILL No. 21 OF 2000

*A Bill to provide for efficient use of energy and its conservation and for matters connected therewith or incidental thereto.*

BE it enacted by Parliament in the Fifty-first Year of the Republic of India as follows:—

### CHAPTER I

#### PRELIMINARY

1. (1) This Act may be called the Energy Conservation Act, 2000.
- (2) It extends to the whole of India except the State of Jammu and Kashmir.
- (3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as reference to the coming into force of that provision.

Short title,  
extent and  
commencement.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) “accredited energy auditor” means an auditor possessing qualifications specified under clause (p) of sub-section (2) of section 13;

(b) “Bureau” means the Bureau of Energy Efficiency established under sub-section (1) of section 3;

(c) "Chairperson" means the Chairperson of the Governing Council;

(d) "designated agency" means any agency designated under clause (d) of section 15;

(e) "designated consumer" means any consumer specified under clause (e) of section 14;

(f) "energy" means any form of energy derived from fossil fuels, hydro-electricity and includes electrical energy or electricity generated from renewable sources of energy or bio-mass connected to the grid;

(g) "energy audit" means the verification, monitoring and analysis of use of energy;

(h) "energy conservation building codes" means the norms and standards of energy consumption expressed in terms of per square metre of the area wherein energy is used and includes the location of the building;

(i) "energy consumption standards" means the norms for process and energy consumption standards specified under clause (a) of section 14;

(j) "Energy Management Centre" means the Energy Management Centre set up under the Resolution of the Government of India in the erstwhile Ministry of Energy, Department of Power No. 7(2)/87- EP(Vol. IV), dated the 5th July, 1989 and registered under the Societies Registration Act, 1860;

21 of 1860.

(k) "energy manager" means any individual possessing the qualifications prescribed under clause (m) of section 14;

(l) "Governing Council" means the Governing Council referred to in section 4;

(m) "High Court" means—

(i) the High Court within the jurisdiction of which the aggrieved party ordinarily resides or carries on business or personally works for gain; and

(ii) where the Central Government is the aggrieved party, the High Court within the jurisdiction of which the respondent, or in a case where there are more than one respondent, any of the respondents ordinarily resides or carries on business or personally works for gain;

(n) "member" means the member of the Governing Council and includes the Chairperson;

(o) "notification" means a notification in the Gazette of India or, as the case may be, the Official Gazette of a State;

(p) "prescribed" means prescribed by rules made under this Act;

(q) "regulations" means regulations made by the Bureau under this Act;

(r) "Schedule" means the Schedule to this Act;

(s) "State Commission" means the State Electricity Regulatory Commission established under sub-section (1) of section 17 of the Electricity Regulatory Commission Act, 1998;

14 of 1998.

9 of 1910.  
54 of 1948.  
14 of 1998.

(f) words and expressions used and not defined in this Act but defined in the Indian Electricity Act, 1910 or the Electricity (Supply) Act, 1948 or the Electricity Regulatory Commission Act, 1998 shall have the meanings respectively assigned to them in those Acts.

## CHAPTER II

### BUREAU OF ENERGY EFFICIENCY

**3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established, for the purposes of this Act, a Bureau to be called the Bureau of Energy Efficiency.**

Establishment and incorporation of Bureau of Energy Efficiency.

(2) The Bureau shall be a body corporate by the name aforesaid having perpetual succession and a common seal, with power subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract, and shall, by the said name, sue or be sued.

(3) The head office of the Bureau shall be at Delhi.

(4) The Bureau may establish offices at other places in India.

**4. (1) The general superintendence, direction and management of the affairs of the Bureau shall vest in the Governing Council which shall consist of not less than ten, but not exceeding fourteen, members to be appointed by the Central Government.**

Management of Bureau.

**(2) The Governing Council shall consist of the following members, namely:—**

- |   |  |
|---|--|
| (a) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Power  | <i>ex officio</i><br>Chairperson;      |
| (b) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Petroleum and Natural Gas  | <i>ex officio</i> member;              |
| (c) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Coal   | <i>ex officio</i> member;              |
| (d) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Non-conventional Energy Sources  | <i>ex officio</i> member;              |
| (e) the Secretary to the Government of India, in charge of the Ministry or Department of the Central Government dealing with the Consumer Affairs   | <i>ex officio</i> member;              |
| (f) such number of persons, not exceeding eight as may be prescribed, to be appointed by the Central Government as members from amongst persons who are representing State Governments and who are in the opinion of Central Government capable of representing industry, equipment and appliance manufacturers, architects and consumers |  |
| (g) Director-General of the Bureau  | <i>ex officio</i><br>member-secretary. |

(3) The Governing Council may exercise all powers and do all acts and things which may be exercised or done by the Bureau.

(4) Every member referred to in clause (f) of sub-section (2) shall hold office for a term of three years from the date on which he enters upon his office.

(5) The fee and allowances to be paid to the members referred to in clause (f) of sub-section (2) and the manner of filling up of vacancies and the procedure to be followed in the discharge of their functions shall be such as may be prescribed.

**Meetings of  
Governing  
Council.**

5. (1) The Governing Council shall meet at such times and places, and shall observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be provided by regulations.

(2) The Chairperson or, if for any reason, he is unable to attend a meeting of the Governing Council, any other member chosen by the members present from amongst themselves at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Governing Council shall be decided by a majority vote of the members present and voting, and in the event of an equality of votes, the Chairperson or in his absence, the person presiding, shall have a second or casting vote.

**Vacancies, etc.,  
not to  
invalidate  
proceedings of  
Bureau,  
Governing  
Council or  
Committee.**

6. No act or proceeding of the Bureau or the Governing Council or any Committee shall be invalid merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Bureau or the Governing Council or the Committee; or

(b) any defect in the appointment of a person acting as a Director-General or Secretary of the Bureau or a member of the Governing Council or the Committee; or

(c) any irregularity in the procedure of the Bureau or the Governing Council or the Committee not affecting the merits of the case.

**Removal of  
member from  
office.**

7. The Central Government shall remove a member referred to in clause (f) of sub-section (2) of section 4 from office if he—

(a) is, or at any time has been, adjudicated as insolvent;

(b) is of unsound mind and stands so declared by a competent court;

(c) has been convicted of an offence which, in the opinion of the Central Government, involves a moral turpitude;

(d) has, in the opinion of the Central Government, so abused his position as to render his continuation in office detrimental to the public interest:

Provided that no member shall be removed under this clause unless he has been given a reasonable opportunity of being heard in the matter.

**Constitution of  
Advisory  
Committees  
and other  
committees.**

8. (1) Subject to any regulations made in this behalf, the Bureau may, from time to time and as and when it is considered necessary, constitute Advisory Committees for the efficient discharge of its functions.

(2) Each Advisory Committee shall consist of a Chairperson and such other members as may be determined by regulations.

(3) Without prejudice to the powers contained in sub-section (1), the Bureau may constitute, such number of technical committees of experts for the formulation of energy consumption standards or norms in respect of equipment or processes, as it considers necessary.

**Director-  
General of  
Bureau.**

9. (1) The Central Government shall, by notification, appoint—

(a) any person not below the rank of Joint Secretary to the Government of India as Director-General of the Bureau;

(b) any person not below the rank of Deputy Secretary to the Government of India as Secretary of the Bureau.

(2) The Director-General shall be a person of ability and standing, having adequate knowledge and experience in dealing matters relating to energy production and supply and efficient use of energy and its conservation.

(3) The Director-General shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty years, whichever is earlier.

(4) Other terms and conditions of service of the Director-General and Secretary of the Bureau shall be such as may be prescribed.

(5) Subject to general superintendence, direction and management of the affairs by the Governing Council, the Director-General of the Bureau shall be the Chief Executive Authority of the Bureau.

(6) The Director-General of the Bureau shall exercise and discharge such powers and duties of the Bureau as may be determined by regulations.

**10. (1) The Central Government may appoint such other officers and employees in the Bureau as it considers necessary for the efficient discharge of its functions under this Act.**

Officers and employees of Bureau.

(2) The terms and conditions of service of officers and other employees of the Bureau appointed under sub-section (1) shall be such as may be prescribed.

**11. All orders and decisions of the Bureau shall be authenticated by the signature of the Director-General or any other officer of the Bureau authorised by the Director-General in this behalf.**

Authentication of orders and decisions of Bureau.

### CHAPTER III

#### TRANSFER OF ASSETS, LIABILITIES, ETC., OF ENERGY MANAGEMENT CENTRE TO BUREAU

**12. (1) On and from the date of establishment of the Bureau—**

Transfer of assets, liabilities and employees of Energy Management Centre.

(a) any reference to the Energy Management Centre in any law other than this Act or in any contract or other instrument shall be deemed as a reference to the Bureau;

(b) all properties and assets, movable and immovable of, or belonging to, the Energy Management Centre shall vest in the Bureau;

(c) all the rights and liabilities of the Energy Management Centre shall be transferred to, and be the rights and liabilities of, the Bureau;

(d) without prejudice to the provisions of clause (c), all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the Energy Management Centre immediately before that date, for or in connection with the purposes of the said Centre shall be deemed to have been incurred, entered into, or engaged to be done by, with or for, the Bureau;

(e) all sums of money due to the Energy Management Centre immediately before that date shall be deemed to be due to the Bureau;

(f) all suits and other legal proceedings instituted or which could have been instituted by or against the Energy Management Centre immediately before that date may be continued or may be instituted by or against the Bureau; and

(g) every employee holding any office under the Energy Management Centre immediately before that date shall hold his office in the Bureau by the same tenure and upon the same terms and conditions of service as respects remuneration, leave, provident fund, retirement or other terminal benefits as he would have held such office if the Bureau had not been established and shall continue to do so as an employee of the Bureau or until the expiry of six months from that date if such employee opts not to be the employee of the Bureau within such period.

14 of 1947.

(2) Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force, the absorption of any employee by the Bureau in its regular service under this section shall not entitle such employee to any compensation under that Act or other law and no such claim shall be entertained by any court, tribunal or other authority.

### CHAPTER IV

#### POWERS AND FUNCTIONS OF BUREAU

**13. (1) The Bureau shall, effectively co-ordinate with designated consumers, designated agencies and other agencies, recognise and utilise the existing resources and infrastructure, in performing the functions assigned to it by or under this Act.**

Powers and functions of Bureau.

(2) The Bureau may perform such functions and exercise such powers as may be assigned to it by or under this Act and in particular, such functions and powers include the function and power to—

(a) recommend to the Central Government the norms for processes and energy consumption standards required to be notified under clause (a) of section 14;

(b) recommend to the Central Government the particulars required to be displayed on label on equipment or on appliances and manner of their display under clause (d) of section 14;

(c) recommend to the Central Government for notifying any user or class of users of energy as a designated consumer under clause (e) of section 14, having regard to intensity or quantity of energy used by it;

(d) take suitable steps to prescribe guidelines for energy conservation building codes under clause (p) of section 14;

(e) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;

(f) arrange and organise training of personnels and specialists in the techniques for efficient use of energy and its conservation;

(g) strengthen consultancy services in the field of energy conservation;

(h) promote research and development in the field of energy conservation;

(i) develop testing and certification procedure and promote testing facilities for certification and testing for energy consumption of equipment and appliances;

(j) formulate and facilitate implementation of pilot projects and demonstration projects for promotion of efficient use of energy and its conservation;

(k) promote use of energy efficient processes, equipment, devices and systems;

(l) promote innovative financing of energy efficiency projects;

(m) give financial assistance to institutions for promoting efficient use of energy and its conservation;

(n) levy fee, as may be determined by regulations, for services provided for promoting efficient use of energy and its conservation;

(o) maintain a list of accredited energy auditors as may be specified by regulations;

(p) specify, by regulations, qualifications for the accredited energy auditors;

(q) specify, by regulations, the manner and intervals of time in which the energy audit shall be conducted;

(r) specify, by regulations, certification procedures for energy managers to be appointed by designated consumers;

(s) prepare educational curriculum on efficient use of energy and its conservation for educational institutions, boards, universities or autonomous bodies and coordinate with them for inclusion of such curriculum in their syllabus;

(t) implement international cooperation programmes relating to efficient use of energy and its conservation as may be assigned to it by the Central Government;

(u) perform such other functions as may be prescribed.

## CHAPTER V

### POWER OF CENTRAL GOVERNMENT TO FACILITATE AND ENFORCE EFFICIENT USE OF ENERGY AND ITS CONSERVATION

Power of  
Central  
Government to  
enforce  
efficient use of  
energy and its  
conservation.

14. The Central Government may, by notification, in consultation with the Bureau,—

(a) specify the norms for processes and energy consumption standards for any equipment, appliance which consumes, generates, transmits or supplies energy;

(b) specify equipment or appliance or class of equipments or appliances, as the case may be, for the purposes of this Act;

(c) prohibit manufacture or sale or purchase of equipment or appliance specified under clause (b), unless such equipment or appliance conforms to energy consumption standards;

(d) direct display of such particulars on label on equipment or on appliance specified under clause (b) and in such manner as may be specified by regulations;

(e) specify, having regard to the intensity or quantity of energy consumed, any user or class of users of energy as a designated consumer for the purposes of this Act;

(f) alter the list of Energy Intensive Industries specified in the Schedule;

(g) establish and prescribe such energy consumption norms and standards for designated consumers as it may consider necessary:

Provided that the Central Government may prescribe different norms and standards for different designated consumers having regard to such factors as may be prescribed;

(h) direct, having regard to quantity of energy consumed or the norms and standards of energy consumption specified under clause (a) the energy intensive industries specified in the Schedule to get energy audit conducted by an accredited energy auditor in such manner and intervals of time as may be specified by regulations;

(i) direct, if considered necessary for efficient use of energy and its conservation, any designated consumer to get energy audit conducted by an accredited energy auditor;

(j) specify the matters to be included for the purposes of inspection under subsection (2) of section 17;

(k) direct any designated consumer to furnish to the designated agency, in such form and manner and within such period, as may be prescribed, the information with regard to the energy consumed and action taken on the recommendation of the accredited energy auditor;

(l) direct any designated consumer to appoint energy manager in charge of activities for efficient use of energy and its conservation and submit a report, in the form and manner as may be prescribed, on the status of energy consumption at the end of every financial year to the designated agency;

(m) prescribe minimum qualification for energy managers to be appointed under clause (l);

(n) direct every designated consumer to comply with energy consumption norms and standards;

(o) direct any designated consumer to prepare a scheme for efficient use of energy and its conservation and implement such scheme in such form and manner as may be prescribed;

(p) prescribe energy conservation building codes for efficient use of energy and its conservation in the building or building complex;

(q) amend the energy conservation building codes to suit the regional and local climatic conditions;

(r) direct every owner or occupier of the building or building complex, being a designated consumer to comply with the provisions of energy conservation building codes for efficient use of energy and its conservation;

(s) direct, any designated consumer referred to in clause (r), if considered necessary, for efficient use of energy and its conservation in his building to get energy audit conducted in respect of such building by an accredited energy auditor in such manner and intervals of time as may be specified by regulations;

(*t*) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;

(*u*) arrange and organise training of personnels and specialists in the techniques for efficient use of energy and its conservation;

(*v*) take steps to encourage preferential treatment for use of energy efficient equipment or appliances:

Provided that the powers under clauses (*p*) to (*s*) shall be exercised in consultation with the concerned State.

## CHAPTER VI

### POWER OF STATE GOVERNMENT TO FACILITATE AND ENFORCE EFFICIENT USE OF ENERGY AND ITS CONSERVATION

Power of State Government to enforce certain provisions for efficient use of energy and its conservation.

15. The State Government may, by notification, in consultation with the Bureau—

(*a*) amend the energy conservation building codes to suit the regional and local climatic conditions and may, by rules made by it, specify and notify energy conservation building codes with respect to use of energy in the buildings;

(*b*) direct every owner or occupier of a building or building complex being a designated consumer to comply with the provisions of the energy conservation building codes;

(*c*) direct, if considered necessary for efficient use of energy and its conservation, any designated consumers referred to in clause (*b*) to get energy audit conducted by an accredited energy auditor in such manner and intervals of time as may be specified by regulations;

(*d*) designate any agency as designated agency to coordinate, regulate and enforce provisions of this Act within the State;

(*e*) take all measures necessary to create awareness and disseminate information for efficient use of energy and its conservation;

(*f*) arrange and organise training of personnels and specialists in the techniques for efficient use of energy and its conservation;

(*g*) take steps to encourage preferential treatment for use of energy efficient equipment or appliances;

(*h*) direct, any designated consumer to furnish to the designated agency, in such form and manner and within such period as may be specified by rules made by it, information with regard to the energy consumed by such consumer;

(*i*) specify the matters to be included for the purposes of inspection under sub-section (2) of section 17.

Establishment of Fund by State Government.

16. (*1*) The State Government shall constitute a Fund to be called the State Energy Conservation Fund for the purposes of promotion of efficient use of energy and its conservation within the State.

(2) To the Fund shall be credited all grants and loans that may be made by the State Government or, Central Government or any other organisation or individual for the purposes of this Act.

(3) The Fund shall be applied for meeting the expenses incurred for implementing the provisions of this Act.

(4) The Fund created under sub-section (*1*) shall be administered by such persons or any authority and in such manner as may be specified in the rules made by the State Government.

Power of inspection.

17. (*1*) The designated agency may appoint as many inspecting officers as may be necessary for the purpose of ensuring compliance with energy consumption standards specified under clause (*a*) of section 14 or ensure display of particulars on label on equipment or appliance specified under clause (*b*) of section 14 or for the purpose of performing such other functions as may be assigned to them.



(2) Subject to any rules made under this Act, an inspecting officer shall have power to—

(a) inspect any operation carried on or in connection with the equipment or appliance specified under clause (b) of section 14 or in respect of which energy standards under clause (a) of section 14 have been specified;

(b) enter any place of designated consumer at which the energy is used for any activity and may require any proprietor, employee, director, manager or secretary or any other person who may be attending in any manner to or helping in, carrying on any activity with the help of energy—

(i) to afford him necessary facility to inspect—

(A) any equipment or appliance as he may require and which may be available at such place;

(B) any production process to ascertain the energy consumption norms the standards;

(ii) to make an inventory of stock of any equipment or appliance checked or verified by him;

(iii) to record the statement of any person which may be useful for, or relevant to, for efficient use of energy and its conservation under this Act.

(3) An inspecting officer may enter any place of designated consumer—

(a) where any activity with the help of energy is carried on; and

(b) where any equipment or appliance notified under clause (b) of section 14 has been kept,

during the hours at which such place is open for production or conduct of business connected therewith.

(4) An inspecting officer acting under this section shall, on no account, remove or cause to be removed from the place wherein he has entered, any equipment or appliance or books of account or other documents.

18. The Central Government or the State Government may, in the exercise of its powers and performance of its functions under this Act and for efficient use of energy and its conservation, issue such directions in writing as it deems fit for the purposes of this Act to any person, officer, authority or any designated consumer and such person, officer or authority or any designated consumer shall be bound to comply with such directions.

Power of  
Central  
Government or  
State  
Government to  
issue  
directions.

*Explanation.*—For the avoidance of doubts, it is hereby declared that the power to issue directions under this section includes the power to direct—

(a) regulation of norms for process and energy consumption standards in any industry or building or building complex; or

(b) regulation of the energy consumption standards for equipment and appliances.

## CHAPTER VII

### FINANCE, ACCOUNTS AND AUDIT OF BUREAU

19. The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Bureau or to the State Governments grants and loans of such sums of money as the Central Government may consider necessary.

Grants and  
loans by  
Central  
Government.

20. (1) There shall be constituted a Fund to be called as the Central Energy Conservation Fund and there shall be credited thereto—

Establishment  
of Fund by  
Central  
Government.

(a) any grants and loans made to the Bureau by the Central Government under section 19;

(b) all fees received by the Bureau under this Act;

(c) all sums received by the Bureau from such other sources as may be decided upon by the Central Government.

(2) The Fund shall be applied for meeting—

(a) the salary, allowances and other remuneration of Director-General, Secretary, officers and other employees of the Bureau;

(b) expenses of the Bureau in the discharge of its functions under section 13;

(c) fee and allowances to be paid to the members of the Governing Council under sub-section (5) of section 4;

(d) expenses on objects and for purposes authorised by this Act.

Borrowing  
powers of  
Bureau.

21. (1) The Bureau may, with the consent of the Central Government or in accordance with the terms of any general or special authority given to it by the Central Government, borrow money from any source as it may deem fit for discharging all or any of its functions under this Act.

(2) The Central Government may guarantee, in such manner as it thinks fit, the repayment of the principal and the payment of interest thereon with respect to the loans borrowed by the Bureau under sub-section (1).

Budget.

22. The Bureau shall prepare, in such form and at such time in each financial year as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Bureau and forward the same to the Central Government.

Annual report.

23. The Bureau shall prepare, in such form and at such time in each financial year as may be prescribed, its annual report, giving a full account of its activities during the previous financial year, and submit a copy thereof to the Central Government.

Annual report  
to be laid  
before  
Parliament.

24. The Central Government shall cause the annual report referred to in section 23 to be laid, as soon as may be after it is received, before each House of Parliament.

Accounts and  
audit.

25. (1) The Bureau shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of the Bureau shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Bureau to the Comptroller and Auditor-General.

(3) The Comptroller and Auditor-General of India and any other person appointed by him in connection with the audit of the accounts of the Bureau shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General generally has in connection with the audit of the Government accounts, and in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Bureau.

(4) The accounts of the Bureau as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause the same to be laid before each House of Parliament.

## CHAPTER VIII

### PENALTIES AND ADJUDICATION

Penalty.

26. (1) If any person fails to comply with the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15, he shall be liable to a penalty which shall not exceed one lakh rupees for each such failure and, in the case of continuing failure, with an additional penalty which may extend to ten thousand rupees for every day during which such failure continues.

(2) Any amount payable under this section, if not paid, may be recovered as if it were an arrear of land revenue.

27. (1) For the purpose of adjudging under section 26, the State Commission shall appoint any of its members to be an adjudicating officer for holding an inquiry in such manner as may be prescribed by the Central Government, after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty.

Power to  
adjudicate.

(2) While holding an inquiry the adjudicating officer shall have power to summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or produce any document which in the opinion of the adjudicating officer, may be useful for or relevant to the subject-matter of the inquiry, and if, on such inquiry, he is satisfied that the person has failed to comply with the provisions of any of the clauses of the sections specified in section 26, he may impose such penalty as he thinks fit in accordance with the provisions of any of those clauses of the sections:

Provided that where a State Commission has not been established in a State, the Government of that State shall appoint any of its officer not below the rank equivalent to a Secretary dealing with legal affairs in that State to be an adjudicating officer for the purposes of this section and such officer shall cease to be an adjudicating officer immediately on the appointment of an adjudicating officer by the State Commission on its establishment in that State:

Provided further that where an adjudicating officer appointed by a State Government ceased to be an adjudicating officer, he shall transfer to the adjudicating officer appointed by the State Commission all matters being adjudicated by him and thereafter the adjudicating officer appointed by the State Commission shall adjudicate the penalties on such matters.

28. While adjudicating the quantum of penalty under section 26, the adjudicating officer shall have due regard to the following factors, namely:—

Factors to be  
taken into  
account by  
adjudicating  
officer.

(a) the amount of disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(b) the repetitive nature of the default.

29. No civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an adjudicating officer appointed under this Act is empowered by or under this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Civil court not  
to have  
jurisdiction.

30. Any person, aggrieved by any decision or order of the adjudicating officer or the Central Government or the State Government or any other authority under this Act, may, file an appeal to the High Court within sixty days from the date of communication of the decision or order of the adjudicating officer or the Central Government or the State Government or any other authority under this Act, to him, on any question of fact or law arising out of such order:

Appeal to  
High Court.

Provided that the High Court may, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal within the said period, allow it to be filed within a further period of not exceeding sixty days.

## CHAPTER IX

### MISCELLANEOUS

31. (1) Without prejudice to the foregoing provisions of this Act, the Bureau shall, in exercise of its powers or the performance of its functions under this Act, be bound by such directions on questions of policy as the Central Government may give in writing to it from time to time:

Power of  
Central  
Government  
to issue  
directions to  
Bureau.

Provided that the Bureau shall, as far as practicable, be given an opportunity to express its views before any direction is given under this sub-section.

(2) The decision of the Central Government, whether a question is one of policy or not, shall be final.

Power of  
Central  
Government to  
supersede  
Bureau.

32. (1) If at any time the Central Government is of opinion—

(a) that on account of grave emergency, the Bureau is unable to discharge the functions and duties imposed on it by or under the provisions of this Act; or

(b) that the Bureau has persistently made default in complying with any direction issued by the Central Government under this Act or in discharge of the functions and duties imposed on it by or under the provisions of this Act and as a result of such default the financial position of the Bureau had deteriorated or the administration of the Bureau had deteriorated; or

(c) that circumstances exist which render it necessary in the public interest so to do,

the Central Government may, by notification, supersede the Bureau for such period, not exceeding six months, as may be specified in the notification.

(2) Upon the publication of a notification under sub-section (1) superseding the Bureau,—

(a) all the members referred to in clause (f) of sub-section (2) of section 4 shall, as from the date of supersession, vacate their offices as such;

(b) all the powers, functions and duties which may, by or under the provisions of this Act, be exercised or discharged by or on behalf of the Bureau, shall until the Bureau is reconstituted under sub-section (3), be exercised and discharged by such person or persons as the Central Government may direct; and

(c) all property owned or controlled by the Bureau shall, until the Bureau is reconstituted under sub-section (3), vest in the Central Government.

(3) On the expiration of the period of supersession specified in the notification issued under sub-section (1), the Central Government may reconstitute the Bureau by a fresh appointment and in such case any person or persons who vacated their offices under clause (a) of sub-section (2), shall not be deemed disqualified for appointment:

Provided that the Central Government may, at any time, before the expiration of the period of supersession, take action under this sub-section.

(4) The Central Government shall cause a notification issued under sub-section (1) and a full report of any action taken under this section and the circumstances leading to such action to be laid before each House of Parliament at the earliest.

Default by  
companies.

33. (1) Where a company makes a default in complying with the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15, every person who at the time of such contravention was incharge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to have acted in contravention of the said provisions and shall be liable to be proceeded against and imposed penalty under section 26 accordingly:

Provided that nothing contained in this sub-section shall render any such person liable for penalty provided in this Act if he proves that the contravention of the aforesaid provisions was committed without his knowledge or that he exercised all due diligence to prevent the contravention of the aforesaid provision.

(2) Notwithstanding anything contained in sub-section (1), where any contravention of the provisions of clause (c) or clause (d) or clause (h) or clause (i) or clause (k) or clause (l) or clause (n) or clause (r) or clause (s) of section 14 or clause (b) or clause (c) or clause (h) of section 15 has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to have contravened the said provisions and shall be liable to be proceeded for imposition of penalty accordingly.

*Explanation.*—For the purposes of this section, “company” means a body corporate and includes a firm or other association of individuals.

43 of 1961.

34. Notwithstanding anything contained in the Income-tax Act, 1961 or any other enactment for the time being in force relating to tax on income, profits or gains—

Exemption from tax on income.

(a) the Bureau;

(b) the existing Energy Management Centre from the date of its constitution to the date of establishment of the Bureau,

shall not be liable to pay any income-tax or any tax in respect of their income, profits or gains derived.

35. No suit, prosecution or other legal proceeding shall lie against the Central Government or Director-General or Secretary or State Government or any officer of those Governments or State Commission or its members or any member or officer or other employee of the Bureau for anything which is in good faith done or intended to be done under this Act or the rules or regulations made thereunder.

Protection of action taken in good faith.

36. The Bureau may, by general or special order in writing, delegate to any member, member of the committee, officer of the Bureau or any other person subject to such conditions, if any, as may be specified in the order, such of its powers and functions under this Act (except the powers under section 43) as it may deem necessary.

Delegation.

37. Every designated consumer or manufacturer of equipment or appliance specified under clause (b) of section 14 shall supply the Bureau with such information, and with such samples of any material or substance used in relation to any equipment or appliance as the Bureau may require.

Power to obtain information.

38. If the Central Government or the State Government is of the opinion that it is necessary or expedient so to do in the public interest, it may, by notification and subject to such conditions as may be specified in the notification, exempt any designated consumer or class of designated consumers from application of all or any of the provisions of this Act.

Power to exempt.

39. The members of the State Commission or the members, Director-General, Secretary, officers and other employees of the Bureau shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

45 of 1860.

Members of State Commission, Director-General, Secretary, members, officers and employees to be public servants.

40. The Central Government may give directions to a State Government or the Bureau as to carrying out into execution of this Act in the State.

Power of Central Government to issue directions.

41. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

Power of Central Government to make rules.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) such number of persons to be appointed as members by the Central Government under clause (f) of sub-section (2) of section 4;

(b) the fee and allowances to be paid to the members under sub-section (5) of section 4;

(c) other terms and conditions of service of Director-General and Secretary of the Bureau under sub-section (4) of section 9;

(d) the terms and conditions of service of officers and other employees of the Bureau under sub-section (2) of section 10;

(e) performing such other functions by the Bureau, as may be prescribed, under clause (u) of sub-section (2) of section 13;

(f) the energy consumption norms and standards for designated consumers under clause (g) of section 14;

(g) prescribing the different norms and standards for different designated consumers under the proviso to clause (g) of section 14;

(h) the form and manner and the time within which information with regard to energy consumed and the action taken on the recommendations of the accredited energy auditor be furnished under clause (k) of section 14;

(i) the form and manner in which the status of energy consumption be submitted under clause (l) of section 14;

(j) the minimum qualifications for energy managers under clause (m) of section 14;

(k) the form and manner for preparation of scheme and its implementation under clause (o) of section 14;

(l) the energy conservation building codes under clause (p) of section 14;

(m) the matters relating to inspection under sub-section (2) of section 17;

(n) the form in which, and the time at which, the Bureau shall prepare its budget under section 22;

(o) the form in which, and the time at which, the Bureau shall prepare its annual report under section 23;

(p) the form in which the accounts of the Bureau shall be maintained under section 25;

(q) the manner of holding inquiry under sub-section (1) of section 27;

(r) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, or may be made, by rules.

Power of  
State  
Government to  
make rules.

42. (1) The State Government may, by notification, make rules for carrying out the provisions of this Act and not inconsistent with the rules, if any, made by the Central Government.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) energy conservation building codes under clause (a) of section 15;

(b) the form, the manner and the period within which information with regard to energy consumption shall be furnished under clause (h) of section 15;

(c) the person or any authority who shall administer the Fund and the manner in which the Fund shall be administered under sub-section (4) of section 16;

(d) the matters relating to inspection under sub-section (2) of section 17;

(e) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, or may be made, by rules.

Power of  
Bureau to  
make  
regulations.

43. (1) The Bureau may, with the previous approval of the Central Government and subject to the condition of previous publication, by notification, make regulations not inconsistent with the provisions of this Act and the rules made thereunder to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the times and places of the meetings of the Governing Council and the procedure to be followed at such meetings under sub-section (1) of section 5;

(b) the members of advisory committees constituted under sub-section (2) of section 8;

(c) the powers and duties that may be exercised and discharged by the Director-General of the Bureau under sub-section (6) of section 9;

(d) the levy of fee for services provided for promoting efficient use of energy and its conservation under clause (n) of sub-section (2) of section 13;

(e) the list of accredited energy auditors under clause (o) of sub-section (2) of section 13;

(f) the qualifications for accredited energy auditors under clause (p) of sub-section (2) of section 13;

(g) the manner and the intervals of time in which the energy audit shall be conducted under clause (q) of sub-section (2) of section 13;

(h) certification procedure for energy managers under clause (r) of sub-section (2) of section 13;

(i) particulars required to be displayed on label and the manner of their display under clause (d) of section 14;

(j) the manner and the intervals of time for conduct of energy audit under clause (h) or clause (s) of section 14;

(k) the manner and the intervals of time for conducting energy audit by an accredited energy auditor under clause (c) of section 15;

(l) any other matter which is required to be, or may be, specified.

44. (1) Every rule made by the Central Government and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or regulation, or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Rules and regulations to be laid before Parliament and State Legislature.

(2) Every rule made by the State Government shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House.

45. The provisions of this Act shall be in addition to, and not in derogation of, the provisions of any other law for the time being in force.

Application of other laws not barred.

46. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, published in the Official Gazette, make such provisions not inconsistent with the provisions of this Act as may appear to be necessary for removing the difficulty:

Power to remove difficulty.

Provided that no such order shall be made under this section after the expiry of two years from the date of the commencement of this Act.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

## THE SCHEDULE

[See section 2(r)]

## LIST OF ENERGY INTENSIVE INDUSTRIES

1. Aluminium;
  2. Fertilizers;
  3. Iron and Steel;
  4. Cement;
  5. Pulp and paper;
  6. Chlor Alkali;
  7. Sugar;
  8. Petrochemical, Gas Crackers and Naphtha Crackers;
  9. Thermal power stations, electricity transmission and distribution companies and commercial buildings or establishments specified as designated consumer.
-



## STATEMENT OF OBJECTS AND REASONS

Promoting efficient use of energy and its conservation has been engaging the attention of the Government of India for quite some time. The increasing preference for commercial energy has led to considerable spurt in the demand for electricity and fossil fuels. There is enormous potential for reducing energy consumption by adopting energy efficiency measures in various sectors of our economy. Energy efficiency will not only reduce the need to create new capacity requiring mobilisation of huge resources but will also result in substantial environmental benefits in terms of reduced greenhouse gas emissions. Therefore, there is need for certain statutory measures which would promote conservation of energy and facilitate its efficient use in various sectors of our economy.

2. At present, the Energy Management Centre being a society registered under the Societies Registration Act, 1860 is making efforts for efficient use of energy and its conservation. A need has been felt to provide for statutory measures to establish statutory authority by the name of Bureau of Energy Efficiency (Bureau) and confer upon the Central Government, State Government and the Bureau certain powers to enforce the said measures for efficient use of energy and its conservation.

3. It is proposed to introduce a comprehensive legislation for efficient use of energy and its conservation, *inter alia*, to provide for the following matters, namely:—

(a) establish the Bureau by merging existing Energy Management Centre to effectively co-ordinate with designated consumers and agencies for performing such functions and exercise such powers which may be necessary for efficient use of energy and its conservation. Such functions and powers, *inter alia*, include the function and power to—

(i) recommend to the Central Government the norms for processes and energy consumption standards for equipments and appliances;

(ii) recommend to the Central Government for specifying any user or class of users of energy as a designated consumer having regard to intensity or quantity of energy used by it;

(iii) recommend to the Central Government the particulars required to be displayed on labels on the equipment or appliances and the manner of their display;

(iv) take suitable steps to prescribe guidelines for energy conservation building codes;

(v) take necessary measures to create awareness and disseminate information for efficient use of energy and its conservation;

(vi) develop testing and certification procedure and promote testing facilities for certification and testing for energy consumption of a equipment and appliances;

(vii) promote innovative financing of energy efficiency projects;

(viii) specify qualifications for the accredited energy auditors, the manner and interval of time in which the energy audit shall be conducted by such auditors;

(ix) specify certification procedures for energy managers to be appointed by designated consumers;

(x) prepare educational curriculum on efficient use of energy and its conservation for educational institutions, boards, universities or autonomous bodies and coordinate with them for inclusion of such curriculum in their syllabus;

(b) confer power upon the Central Government, *inter alia*, to—

(i) specify the norms for processes and energy consumption standards for

any equipment or appliance which consumes, generates, transmits or supplies energy;

(ii) specify equipment or appliance or class of equipment or appliances for the purposes of the proposed legislation;

(iii) prohibit manufacture or sale or purchase of equipment or appliances which do not conform to the prescribed energy consumption standards;

(iv) direct display of such particulars on labels on equipment or appliances;

(v) specify, having regard to the intensity or quantity of the energy consumed by any user or class of users of energy as designated consumers for the purposes of the legislation;

(vi) prescribe energy conservation building codes for efficient use of energy and its conservation in the building or building complex;

(vii) direct any designated consumer to get energy audit conducted by an accredited energy auditor;

(viii) direct designated consumer to appoint energy manager in charge of activities for conservation of energy;

(ix) prescribe minimum qualifications for appointment of energy manager;

(x) direct any designated consumer to furnish information with regard to energy consumed and action taken on the recommendation of the accredited energy auditor;

(xi) direct any designated consumer to prepare a scheme for efficient use of energy and its conservation and implement such scheme as may be prescribed;

(xii) take steps to encourage preferential treatment for use of energy efficient equipment or appliances;

(c) confer power upon the State Governments for enforcing the provisions of the proposed legislation which, *inter alia*, include the power to—

(i) amend the energy conservation building codes to suit the regional and local climatic conditions;

(ii) direct every owner or occupier of a building or building complex being a designated consumer to comply with the energy conservation building codes;

(iii) direct any designated building consumer to get energy audit conducted by an accredited energy auditor;

(iv) designate any agency as designated agency to coordinate, regulate and enforce the provisions of the proposed legislation within the State;

(v) take necessary measures to create awareness and disseminate information for efficient use of energy and its conservation;

(d) establish a Fund called the Energy Conservation Fund separately by the Central Government and the State Governments.

(e) impose penalties in case of contravention of the provisions of the proposed legislation; and

(f) prescribe the procedure for adjudication of the penalties and appeal to the High Court.

4. The proposed legislation is enabling in nature and the provisions would be effective from a future date after the infrastructure and institutional mechanism are set in place.

5. The Bill seeks to achieve the above objects.

*Notes on clauses*

*Clause 2* defines various expressions occurring in the Bill. This clause, *inter alia*, provides that the words and expressions used and not defined in this Bill but defined in the Indian Electricity Act, 1910, the Electricity (Supply) Act, 1948 or the Electricity Regulatory Commissions Act, 1998, shall have the meanings respectively assigned to them in those Acts.

*Clause 3* provides for the establishment and incorporation of the Bureau of Energy Efficiency (Bureau). The Bureau shall be a body corporate by the name aforesaid having perpetual succession and a common seal. It can sue or be sued. The head office of the Bureau shall be at Delhi. The Bureau can establish offices at other places in India also.

*Clause 4* provides that the management of the Bureau shall vest in the Governing Council. The Governing Council shall have general superintendence, direction and management of the affairs of the Bureau. It shall consist of not less than ten but not more than fourteen members to be appointed by the Central Government. The Secretary in the Ministry or Department dealing with Power shall be the *ex officio* Chairperson of the Governing Council. The Secretaries representing Ministries or Departments of Petroleum and Natural Gas, Coal, Non-conventional Energy Sources and Consumer Affairs shall be the *ex officio* members of the Governing Council. In addition, the Central Government have the powers to appoint eight other members in the Governing Council representing the State Governments, industry, equipment and appliance manufacturers, architects and consumers. These eight members appointed by the Central Government shall hold office for a period of three years from the date on which they enter upon the office. The Director-General of the Bureau shall be the *ex officio* member-secretary of the Governing Council. The Governing Council may exercise all powers and do all acts and things which may be exercised or done by the Bureau.

*Clause 5* provides that the Governing Council shall meet at such times and places and shall observe such rules of procedure in regard to transactions of business as may be provided by regulations.

*Clause 6* provides that no act or proceeding of the Bureau, Governing Council or any committee shall be invalid by reason of any vacancy in, or any defect in the constitution of, the Bureau, Governing Council or any committee or any defect in the appointment of the Director-General or Secretary or member or member of any committee or any irregularity in the procedure of the Bureau not affecting the merits of the case.

*Clause 7* seeks to provide for the circumstances under which the Central Government can remove a member who has been appointed by it to represent various interest groups namely, State Governments, Industry, equipment and appliance manufacturer, architects and consumers.

*Clause 8* provides that the Bureau, when it is considered necessary, can constitute various advisory committees to effectively discharge various functions assigned to it. Such committees shall consist of a Chairperson and such other members as may be determined by regulations. It also provides that Bureau may constitute technical committees of experts for formulation of energy consumption standards for equipment and appliances or norms for processes, as it considers necessary.

*Clause 9* provides for the appointment of the Director-General and Secretary of the Bureau and their eligibility and the other terms and conditions for their appointment. The Director-General shall hold office for a term of three years from the date on which he enters upon his office or until he attains the age of sixty years, whichever is earlier. The Director-General shall be the Chief Executive Officer subject to general superintendence, direction and management of the Governing Council. The powers and duties of the Director-General shall be determined by regulations.

*Clause 10* provides for the appointment of officers and other employees of the Bureau and their terms and conditions of services.

*Clause 11* provides for authentication of orders and decisions of the Bureau.

*Clause 12* contains provisions for transfer of the assets, liabilities and employees of the Energy Management Centre to the Bureau on and from the date of establishment of the Bureau and provides for certain matters related to such transfer.

*Clause 13* provides for powers and functions of the Bureau. The Bureau shall coordinate with designated consumers, designated agencies and other agencies and utilize existing resources and infrastructure in performing the functions assigned to the Bureau. The functions and powers of the Bureau, *inter alia*, include functions and power to recommend to the Central Government the norms for process and energy consumption standards for any equipment or appliance; recommend to the Central Government for notifying any user or class of users of energy as designated consumers; particulars for labelling on equipment or appliance; prescribe guidelines for energy conservation building codes; prescribe qualifications for appointment of energy managers and engagement of accredited energy auditors by the designated consumers and other functions involving promotion of efficient use of energy and its conservation and for collection of fees for the services provided by the Bureau, etc.

*Clause 14* confers powers upon the Central Government to enforce certain provisions for efficient use of energy and its conservation. This clause, *inter alia*, provides that the Central Government, in consultation with the Bureau, *inter alia*, may specify the norms for process and energy consumption standards for any equipment or appliance which consumes, generates, transmit or supplies energy; specify equipment or appliance for the purposes of the Bill; prohibit manufacture or sale or purchase of certain equipment or appliance unless it conforms to energy consumption standards; direct display of certain particulars on label on equipment or appliances; specify a user or class of users of energy as a designated consumer; direct designated consumer to comply with energy consumption standards or norms; direct energy audit to be conducted by energy intensive industries specified in the Schedule to the Bill or by the designated consumer; direct designated consumers to prepare scheme in respect of conservation of energy and implement such scheme; prescribe energy conservation building codes for efficient use and its conservation and direct any designated consumer to get energy audit conducted in respect of their buildings, etc. The powers in relation to energy conservation building codes shall be exercised in consultation with the concerned State Governments.

*Clause 15* confers powers upon the State Governments to enforce certain provisions of the Bill for efficient use of energy and its conservation. This clause, *inter alia*, provides that the State Government, in consultation with the Bureau, may amend the energy conservation building codes, notify energy conservation building codes with respect to use of energy in certain buildings or building complexes being a designated consumer and direct them to get energy audit conducted by an accredited energy auditor; designate any agency to coordinate, regulate and enforce provision of this Bill within the State.

*Clause 16* contains provisions for the establishment and operation of the State Energy Conservation Fund by the State Government for the purpose of promotion of efficient use of energy and its conservation within the State. This clause, *inter alia*, provides that there shall be credited all grants and loans that may be made by the State Government, Central Government or any other organisations or individual to the Fund and it shall be applied for meeting the expenses incurred for implementing the provisions of this Act. The Fund shall be administered by such persons or any authority as may be specified by the rules made by the State Government.

*Clause 17* contains provisions relating to powers of inspection and, *inter alia*, provides for power of inspection of equipment or appliances for the purpose of compliance of certain provisions specified in that clause. The power of appointment of inspecting officers shall vest with the designated agency. The inspecting officers shall have no power to remove any equipment or appliance or books of account or other documents from the place where he has entered.

*Clause 18* provides that the Central Government or the State Government shall have power to issue directions in writing for the purposes of the proposed legislation to any person, officer or any authority for efficient use of energy and its conservations and such person, officer or authority shall be bound to comply with such directions.

*Clause 19* provides that the Central Government, after due appropriation made by Parliament by law, make to the Bureau grants and loans.

*Clause 20* contains provisions for the establishment of the Central Energy Conservation Fund by the Central Government. This clause, *inter alia*, provides that any grant and loan or fees received by the Bureau or sums received by the Bureau from other sources shall be credited to the Central Energy Conservation Fund. The Fund shall be applied for meeting the salary, allowances and remuneration of Director-General, members of the Governing Council, Secretary and officers and other employees of the Bureau and expenses of the Bureau in discharge of its functions and objects for the purposes of this Bill.

*Clause 21* contains provisions relating to borrowing powers of the Bureau.

*Clause 22* contains provisions for preparation of budget of the Bureau and submission of the same to the Central Government.

*Clause 23* provides for preparation by the Bureau of its annual report in the prescribed format, in each financial year and submission of the same to the Central Government.

*Clause 24* provides that the Central Government shall cause the annual report of the Bureau to be laid before each House of Parliament.

*Clause 25* contains provisions relating to accounts and audit of the Bureau and, *inter alia*, provides that Bureau shall maintain proper accounts and other relevant records, prepare annual statement of accounts in a form prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. The accounts of the Bureau as audited by the Comptroller and Auditor-General together with annual report shall be laid before each House of Parliament.

*Clause 26* provides for imposition of penalty for failure of compliance with certain provisions of the Bill specified in that clause. The penalty shall not exceed one lakh rupees for each failure and in the case of continuing failure with an additional penalty, which may extend up to ten thousand rupees for every day, during which such failure continues. Any amount payable under this clause, if not paid, may be recovered as arrears of land revenue.

*Clause 27* contains provisions for adjudication of penalty and, *inter alia*, provides that the State Commission shall appoint any of its members as adjudicating officer for holding an enquiry in such a manner as may be prescribed by the Central Government, after giving any person concerned a reasonable opportunity of being heard for the purpose of imposing any penalty. In a State where the State Commission has not been established, the State Government shall appoint any of its officers not below the rank equivalent to a Secretary dealing with legal affairs in that State as an adjudicating officer.

*Clause 28* provides the factors that may be taken into account by the adjudicating officer in determining the quantum of penalty.

*Clause 29* provides that no civil court shall have jurisdiction to entertain any suit or proceeding in respect of any matter which an adjudicating officer is empowered by or under the Bill to determine and no injunction shall be granted by any court or other authority in respect of any action taken under the provisions of the Bill.

*Clause 30* provides that any person aggrieved by any decision or order of the adjudicating officer or the Central Government or the State Government or any other authority under this Act may file an appeal to the High Court, within sixty days from the date of communication of the decision or order of the adjudicating officer or the Central Government or the State Government or any other authority to him, on any question of fact or law arising out of such order.

*Clause 31* seeks to confer power upon the Central Government to issue directions in writing to the Bureau on questions of policy and the Bureau shall be bound by such directions. The Bureau shall be given an opportunity to express its views before any direction is issued by the Central Government.

*Clause 32* confers power upon the Central Government to supersede the Bureau in the circumstances specified in that clause.

*Clause 33* contains provisions for default by companies and, *inter alia*, provides that every person, who at a time of contravention of any of the provisions mentioned in this clause, was in charge of and was responsible to the company as well as the company shall be deemed to have acted in contravention of the said provisions and shall be liable to be proceeded against and imposed penalty under clause 26 of the Bill.

*Clause 34* provides for exemption from tax on income, profits or gains of the Bureau and the Energy Management Centre.

*Clause 35* contains provisions for the protection of the action taken in good faith by members of State Commission, Director-General or Secretary or other officers of the Bureau, action taken by the Central and State Government or its officers in good faith.

*Clause 36* provides for delegation by Bureau to any of its members, members of the committee, or officers of the Bureau or any other person, such of its powers and functions under the Bill. However, the powers to make regulations can not be delegated.

*Clause 37* confers power upon the Bureau to obtain information and such samples of any material or substance used in relation to any equipment or process, as the Bureau may require.

*Clause 38* confers powers upon the Central Government and the State Government to exempt in public interest any designated consumer or class of designated consumers from application of all or any of the provisions of the proposed legislation.

*Clause 39* provides that Members of the State Commission, Director-General, members, Secretary, officers and other employees of the Bureau shall be deemed to be public servants when acting in pursuance of any of the provisions of the Act.

*Clause 40* seeks to empower the Central Government to issue directions to the State Government or the Bureau as to carrying into execution of provisions of the proposed legislation in the State.

*Clause 41* seeks to empower the Central Government to make rules on the matters specified in that clause for carrying out the provisions of the Bill.

*Clause 42* seeks to empower the State Government to make rules on the matters specified in that clause for carrying out the provisions of the Bill.

*Clause 43* seeks to empower upon the Bureau to make with the previous approval of the Central Government, regulations on the matters specified in that clause.

*Clause 44* contains provisions for laying of every rule and every regulation made by the Central Government and Bureau before each House of Parliament. Similarly every rule made by the State Government shall be laid before each House of State Legislature, where it consists of two Houses or where such Legislature consists of one House, before that House.

*Clause 45* seeks to provide that the provisions of the Bill shall be in addition to and not in derogation of the provisions of any other law for the time being in force.

*Clause 46* seeks to empower the Central Government to remove any difficulty which may arise in giving effect to the provisions of the Bill.

## FINANCIAL MEMORANDUM

Sub-clause (1) of clause 3 of the Bill proposes to establish the Bureau of Energy Efficiency. Item (f) of sub-clause (2) of clause 4 confers power upon the Central Government to appoint such number of persons as members not exceeding eight, from amongst persons who are representing State Governments and who are in the opinion of the Central Government capable of representing industry, equipment and appliance manufacturer, architects and consumers. Sub-clause (5) of clause 4 provides that these members shall be paid fee and allowances as may be prescribed. Sub-clause (1) of clause 9 states that the Central Government shall appoint a Director-General and a Secretary of the Bureau. Clause 10 confers power upon the Central Government to appoint officers and other employees in the Bureau. Sub-clause (2) of clause 16, *inter alia*, provides for credit of all grants and loans that may be made by the Central Government in the State Energy Conservation Fund. Clause 19 confers power upon the Central Government to make grants to the Bureau after due appropriation made by Parliament by law in this behalf. The Bureau is expected to be set up without substantial creation of new posts as the existing Energy Management Centre, set up and registered under the Societies Registration Act, 1860, is proposed to be transferred to the Bureau on its establishment along with some of the posts available in the Energy Conservation Wing of the Ministry of Power which are also proposed to be transferred to it. The recurring expenditure towards salary and allowances, etc., of the Director-General, Secretary, officers and other employees of the Bureau will be of the order of about one crore rupees per annum. The other additional recurring expenditure by way of rent, maintenance of the building to accommodate Bureau of Energy Efficiency, will be of the order of fifty lakh rupees per annum. The expenditure by way of fee and allowances to be paid to the members of the Governing Council is estimated to be of the order of five lakh rupees per annum. Non-recurring expenditure by way of purchase of furnitures, fixtures and office equipment will be of the order of twenty-five lakh rupees.

2. The Bill provides for setting up of a Central Energy Conservation Fund under clause 20 of the Bill for the purpose of promotion of efficient use of energy and its conservation. It is proposed to establish it initially with a corpus of twenty crore rupees.

3. The Bill authorises the Bureau to levy fee in respect of the services provided to various industries and other agencies under item (n) of sub-clause (2) of clause 13 of the Bill. This would enable the Bureau to earn revenue while serving the consumers of energy. It will enable it to become self-sufficient and independent over a period of five to seven years.

4. The Bill if enacted will not incur any other recurring or non-recurring expenditure.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 41 of the Bill confers power upon the Central Government to make rules for carrying out the provisions of the Bill. The matters in respect of which such rules may be made relate, *inter alia*, to provide for such number of persons to be as members appointed by the Central Government under clause (f) of sub-section (2) of section 4; the fee and allowances to be paid to the members under sub-section (5) of section 4; other terms and conditions of service of Director-General and Secretary of the Bureau under sub-section (4) of section 9; the terms and conditions of service of officers and other employees of the Bureau under sub-section (2) of section 10; performing such other functions by the Bureau as may be prescribed under clause (u) of sub-section (2) of section 13; energy consumption norms and standards for designated consumers under clause (g) of section 14; prescribing different norms and standards for different designated consumers under the proviso to clause (g) of section 14; the form and manner and the time within which information with regard to energy consumed and the action taken on the recommendations of the accredited energy auditor to be furnished under clause (k) of section 14; the form and manner in which the status of energy consumption be submitted under clause (l) of section 14; minimum qualifications for energy managers under clause (m) of section 14; the form and manner for preparation of scheme and its implementation under clause (o) of section 14; energy conservation building codes under clause (p) of section 14; the matters relating to inspection under sub-section (2) of section 17; the form in which, and the time at which, the Bureau shall prepare its budget under section 22; the form in which, and the time at which, the Bureau shall prepare its annual report under section 23; the form in which the accounts of the Bureau shall be maintained under section 25; the manner of holding inquiry under sub-section (1) of section 27; any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, or may be made, by rules.

2. Clause 42 of the Bill confers power on the State Government to make rules for carrying out the provisions of the Bill. The matters in respect of which rules may be made by the State Government relate, *inter alia*, to provide for energy conservation building codes under clause (a) of section 15; the form, the manner and the period within which information with regard to energy consumption shall be furnished under clause (h) of section 15; the person or any authority who shall administer the Fund and the manner in which the Fund shall be administered under sub-section (4) of section 16; the matters relating to inspection under sub-section (2) of section 17; any other matter which is to be, or may be, prescribed, or in respect of which provision is to be, or may be, made by rules, by the State Government.

3. The rules made by the State Government shall be laid, as soon as may be after it is made, before each House of State Legislature, where it consists of two Houses or where such Legislature consists of one House, before that House.

4. Clause 43 of the Bill confers power on the Bureau to make regulations, with the previous approval of the Central Government and subject to the condition of previous publication, not inconsistent with the provisions of the Bill and rules made thereunder to carry out the purposes of the Bill. The matters in respect of which such regulations may be made, *inter alia*, relate to provide the time and places of the meetings of the Governing Council and the procedure to be followed at such meetings under sub-section (1) of section 5; the members of the Advisory Committee constituted under sub-section (2) of section 8; the powers and duties that may be exercised and discharged by the Director-General of the Bureau under sub-section (6) of section 9; the levy of fee for services provided for promoting efficient use of energy and its conservation under clause (n) of sub-section (2) of section 13; the list of accredited energy auditors under clause (o) of sub-section (2) of section 13 and qualifications for accredited energy auditors under clause (p) of sub-section (2) of section 13; the manner and intervals of time in which the energy audit shall be conducted under clause (q) of sub-section (2) of section 13; certification



procedure for energy managers under clause (r) of sub-section (2) of section 13; the particulars required to be displayed on label and the manner of their display under clause (d) of section 14; the manner and the intervals of time for conduct of energy audit under clause (h) or clause (s) of section 14; the manner and intervals of time for conducting energy audit by an accredited energy auditor under clause (c) of section 15; any other matter which is required to be, or may be, specified.

5. The rules made by the Central Government and regulations made by the Bureau shall be laid, as soon as may be, after they are made, before each House of Parliament.

6. The matters in respect of which rules and regulations may be made are generally matters of procedure and administrative detail and it is not practicable to provide for them in the Bill itself. The delegation of legislative power is, therefore, of a normal character.

G. C. MALHOTRA,  
*Secretary-General.*

